

Statewide Goal, Objective, and Department Allocations

Education:

- **Elementary & Secondary Education:**
Public Schools, School for the Deaf and Blind, and the Superintendent of Public Instruction.
- **Higher Education:**
College and Universities, Community Colleges, and Health Educ. Programs.
- **Professional-Technical Education.**
- **Agricultural Research & Extension.**
- **All Other Education Functions:**
Office of the State Board of Education, Historical Society, State Library, Public Broadcasting, Special Programs, and Vocational Rehabilitation.

Health and Human Services:

- **Medical Assistance:**
Dept. of Health and Welfare's Medical Assistance Program, and the Catastrophic Health Care Program.
- **Family and Community Services:**
Dept. of Health and Welfare's Family and Children's Services Program, Mental Health Services Program, and the Developmental Disabilities Services Program.
- **Self-Reliance Programs:**
Dept. of Health and Welfare's Self-Reliance Program.
- **Health Services:**
Dept. of Health and Welfare's Public Health Services Program, and the Public Health Districts.
- **All Other Health and Human Services:**
Dept. of Health and Welfare's Indirect Support Services Program, Domestic Violence Council, Developmental Disabilities Council, and the Council for Deaf and Hearing Impaired.

Public Safety:

- **Dept. of Correction.**
- **Dept. of Juvenile Corrections.**
- **Judicial Branch.**
- **Idaho State Police.**

General Government:

- **Dept. of Revenue and Taxation.**
- **Elected Officials:**
Attorney General, State Controller, Governor's Office, Lt. Governor, Secretary. of State, and the State Treasurer.
- **Executive Office of the Governor:**
Comm. on Aging, Blind Comm., Div. of Financial Mgmt., Div. of Human Resources, Human Rights Comm., Liquor Dispensary, Military Div., Public Employee Retirement System, Office of Species Conservation, Women's Comm., and Arts Comm.
- **Legislative Branch.**
- **All Other General Government:**
Dept. of Admin. and the Capital Budget.

Natural Resources:

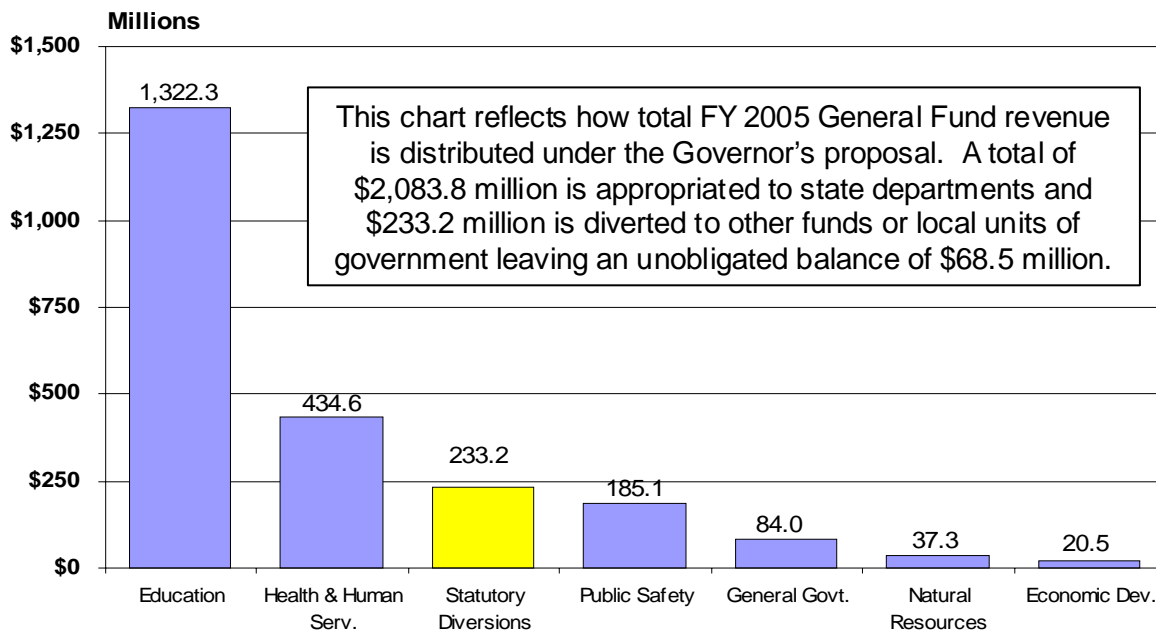
- **Dept. of Environmental Quality.**
- **Dept. of Water Resources.**
- **Dept. of Parks and Recreation.**
- **Dept. of Lands.**
- **Dept. of Fish and Game.**

Economic Development:

- **Economic Development:**
Dept. of Agriculture's Marketing and Development Program, Animal Damage Control, Sheep Commission, and Soil Conservation Commission, and the Dept. of Commerce.
- **Business Regulation:**
Dept. of Agriculture's Admin., Animal and Plant Industries, Ag. Resources, and Ag. Inspections Programs, the Dept.'s of Finance and Insurance, the Public Utilities Comm., and regulatory functions of the Dept. of Self-Governing Agencies.
- **Employment & Rehabilitation Serv.:**
Dept. of Labor, and the Industrial Commission.
- **Dept. of Transportation.**
- **All Other Economic Development:**
The non-regulatory functions of the Dept. of Self-Governing Agencies.

Summary Tables and Graphs

Allocation of FY 2005 State General Fund Tax Revenue: Distribution of \$2,385.5 Million in Gross Revenue Collections

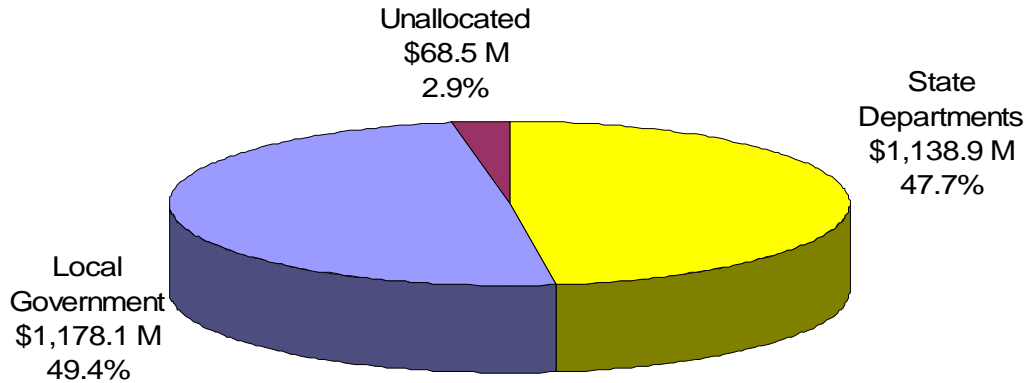


STATUTORY DIVERSIONS TO OTHER FUNDS OR LOCAL GOVERNMENT:

Local Government:	
Revenue Sharing to Cities and Counties (Sales Tax)	\$122.9 M
Cities and Counties Liquor Surcharge	21.7
County Juvenile Probation Fund (Cigarette Tax)	4.6
County estate and transfer tax (Estate Tax)	<u>0.2</u>
Total	\$149.4 M
Property Tax Relief:	
Circuit Breaker (Sales Tax)	\$14.5 M
Agricultural equipment tax exemption (State Refund Fund)	<u>13.4</u>
Total	\$27.9 M
Schools Dedicated Funds:	
Public School Income Fund (Cigarette Tax and Liquor Surcharge)	\$5.8 M
Community College Fund (Liquor Surcharge)	<u>0.3</u>
Total	\$6.1 M
State Dedicated Funds:	
Water Pollution Control Fund (Sales Tax)	\$4.8 M
Budget Stabilization Fund (one-time General Fund transfer)	20.8
Permanent Building Fund (current law)	19.2
All other Dedicated Funds (Inc., Cig., Beer, Wine, Liq. & Mine Taxes)	<u>4.9</u>
Total	\$49.7 M

Total General Tax Revenue to Other Funds or Local Government: \$233.2 M

Allocation of FY 2005 State General Fund Tax Revenue between Local Government and State Departments \$2,385.5 Million in Gross Revenue Collections



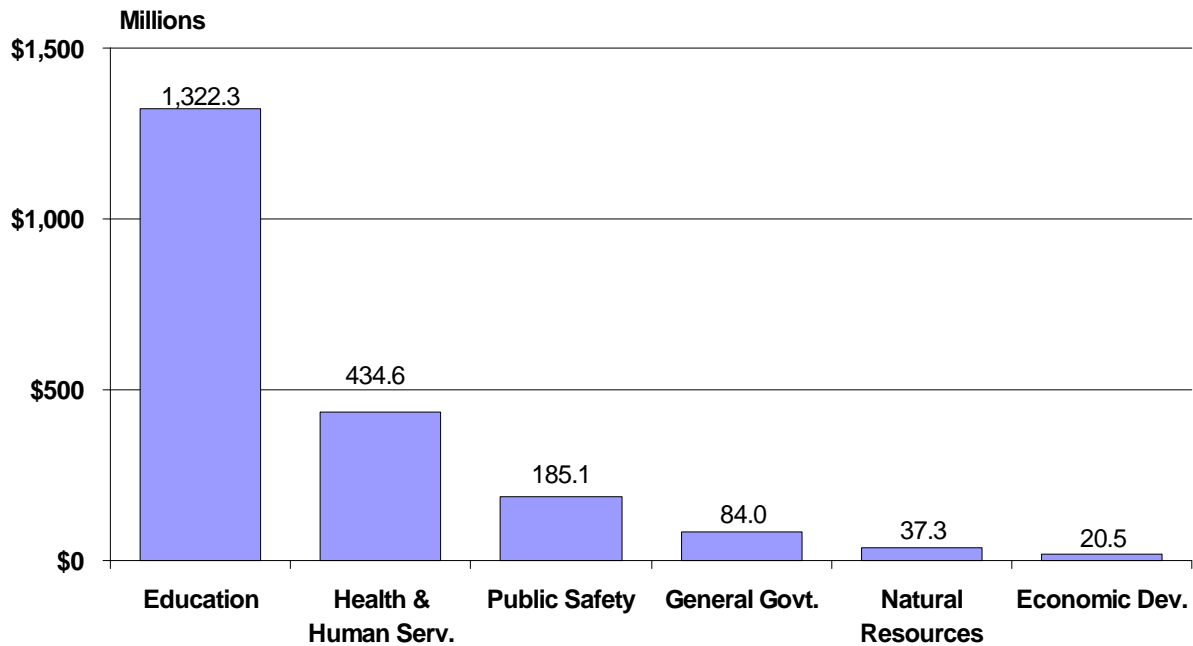
ONGOING GENERAL FUND ALLOCATION TO LOCAL GOVERNMENT: *

• Education:	
Public School Appropriation	\$961.9 M
Community College Appropriation	19.6
Public School Income Fund (Cigarette and Liquor Surcharge)	5.8
Community College Fund (Liquor Surcharge)	<u>0.3</u>
Total	\$987.6 M
• Health and Social Services:	
Public Health District Appropriation	\$9.5 M
Catastrophic Health Care Program Appropriation	<u>8.2</u>
Total	\$17.7 M
• Public Safety:	
State Appellate Public Defender Appropriation	\$1.3 M
Juvenile Corr. Block Grant for County Probation/Parole Approp.	3.4
County Juvenile Probation Fund (Cigarette Tax)	<u>4.6</u>
Total	\$9.3 M
• General Government:	
City and County Revenue Sharing (Sales Tax)	\$122.9 M
City and County Liquor Surcharge	12.7
Circuit Breaker Property Tax Relief (Sales Tax)	14.5
Agricultural equipment property tax exemption	<u>13.4</u>
Total	\$163.5 M
Total General Tax Revenue to Local Government:	\$1,178.1 M

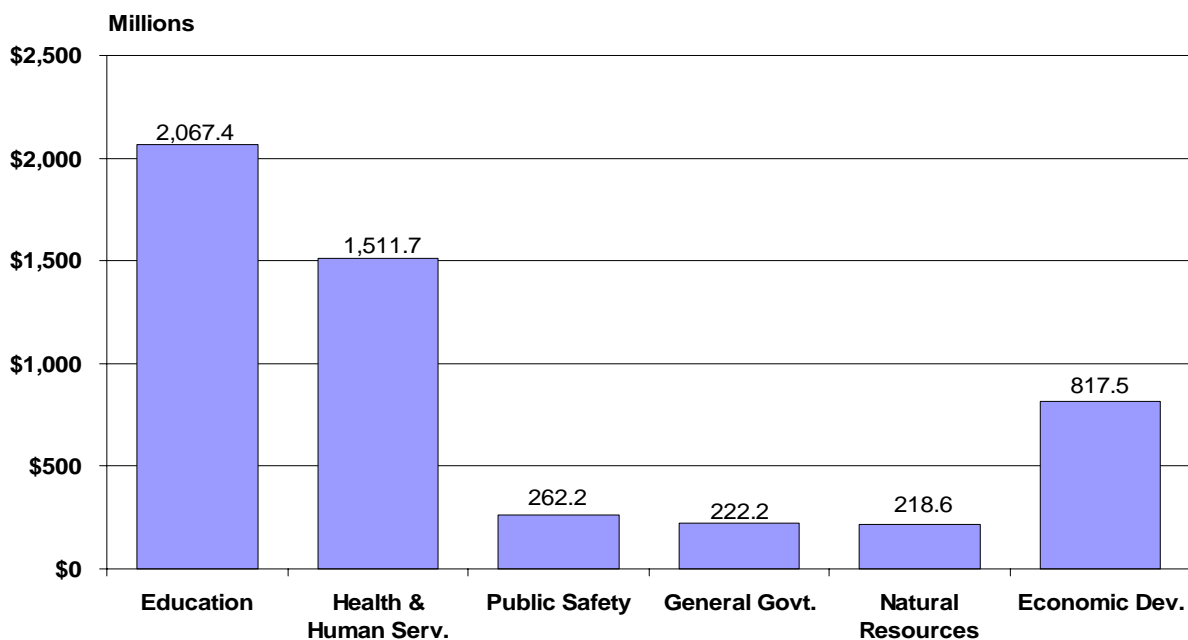
* Public Schools, Community Colleges, Public Health Districts, the Catastrophic Health Care Program, part of the Dept. of Juvenile Corrections, and the State Appellate Public Defender are included as part of Local Government on this page.

Summary Tables and Graphs

FY 2005 General Fund Recommendation by State Goal \$2,083.8 Million Total

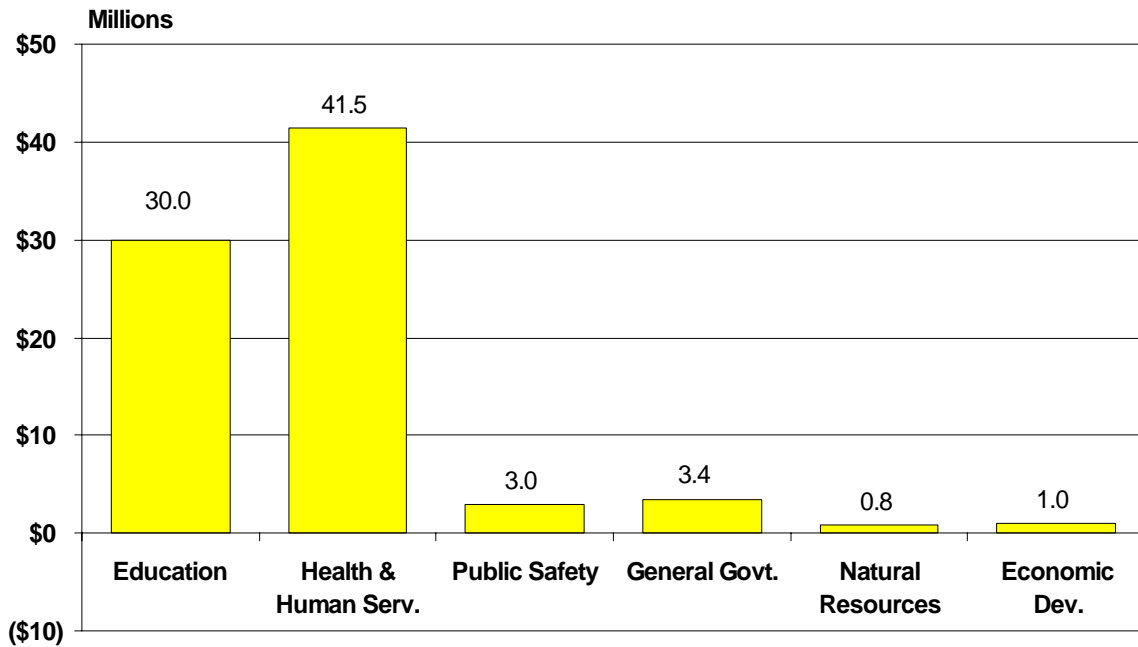


FY 2005 Total Fund Recommendation by State Goal \$5,099.6 Million Total

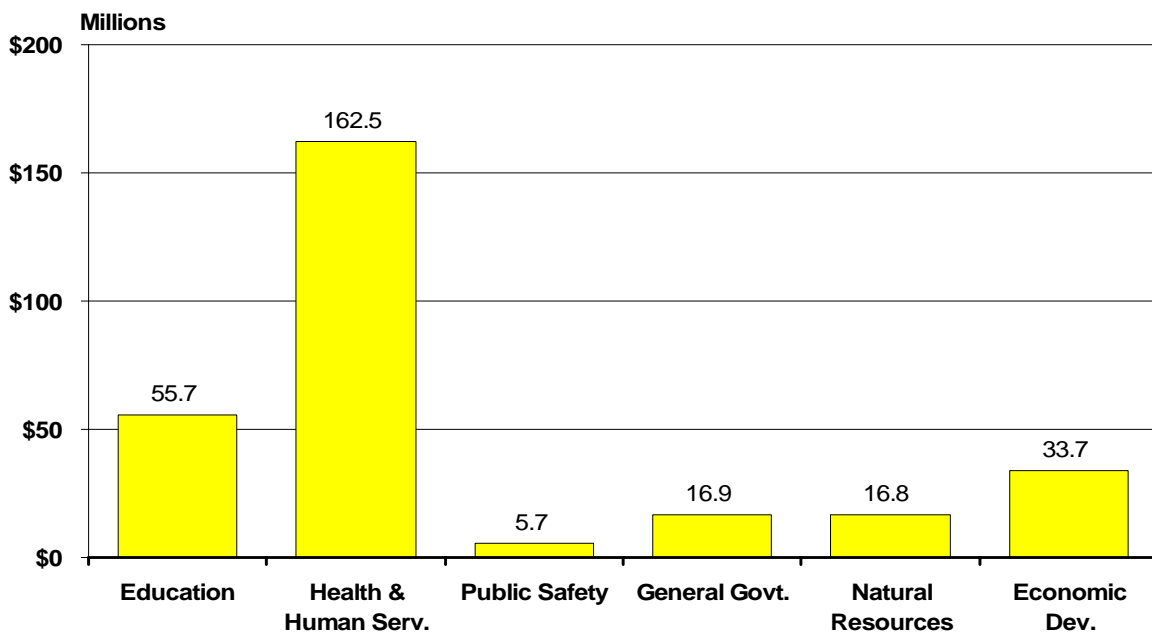


Summary Tables and Graphs

FY 2005 General Fund Recommended Changes from the FY 2004 Appropriation by State Goal \$79.7 Million Net Increase

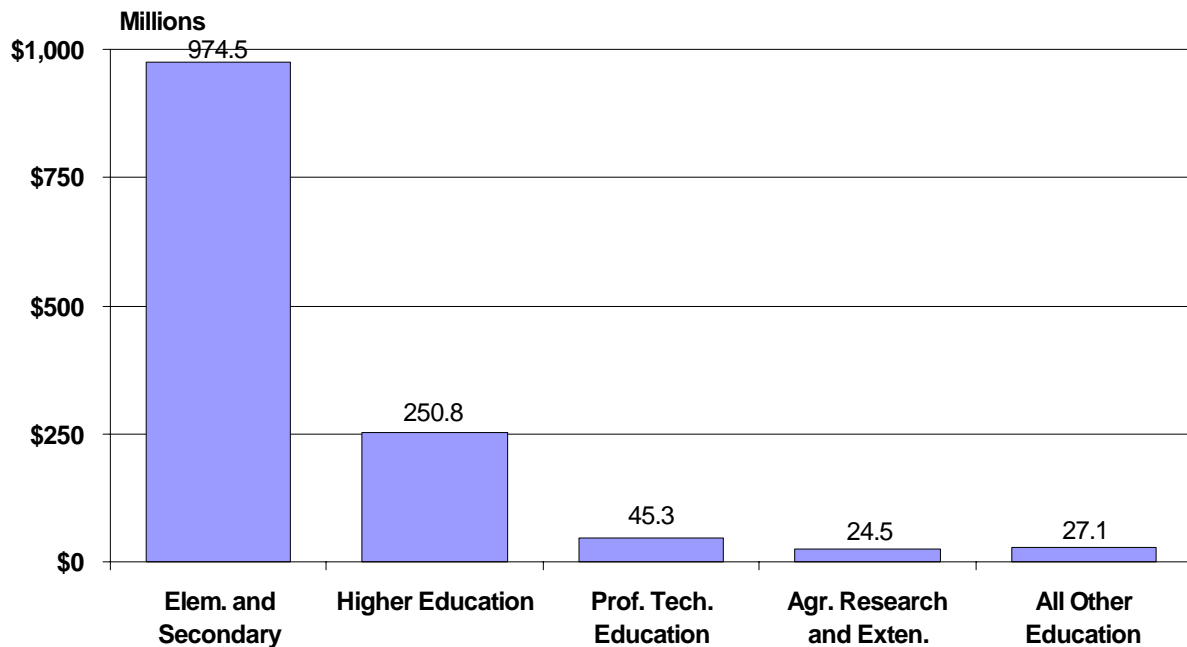


FY 2005 Total Fund Recommended Changes from the FY 2004 Appropriation by State Goal \$291.3 Million Net Increase

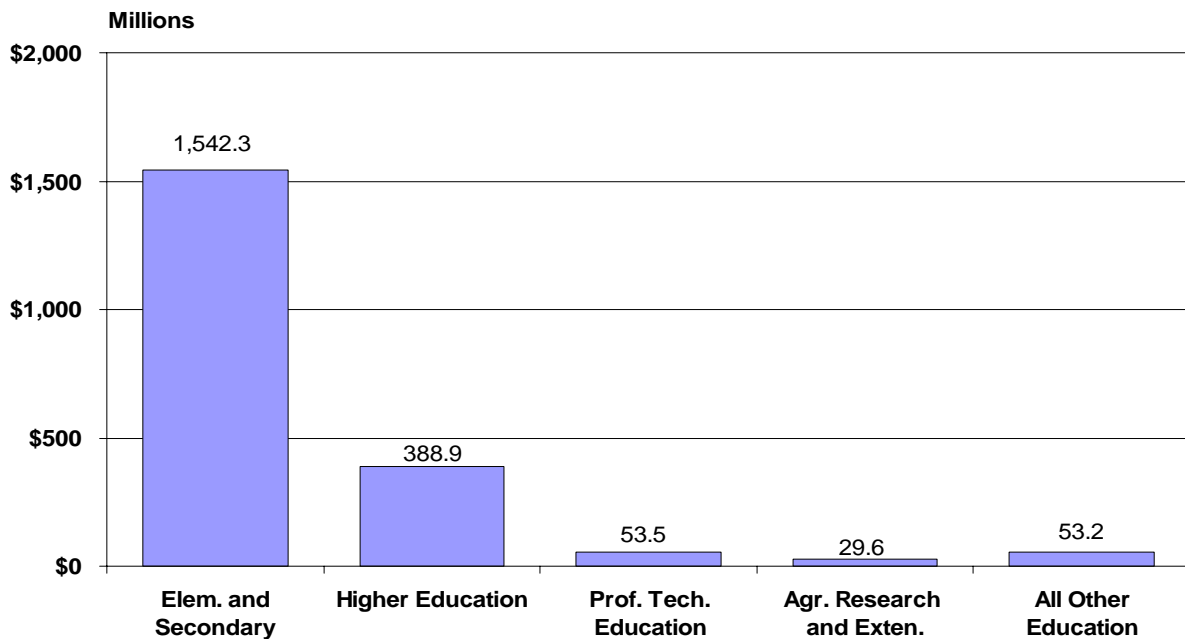


Summary Tables and Graphs

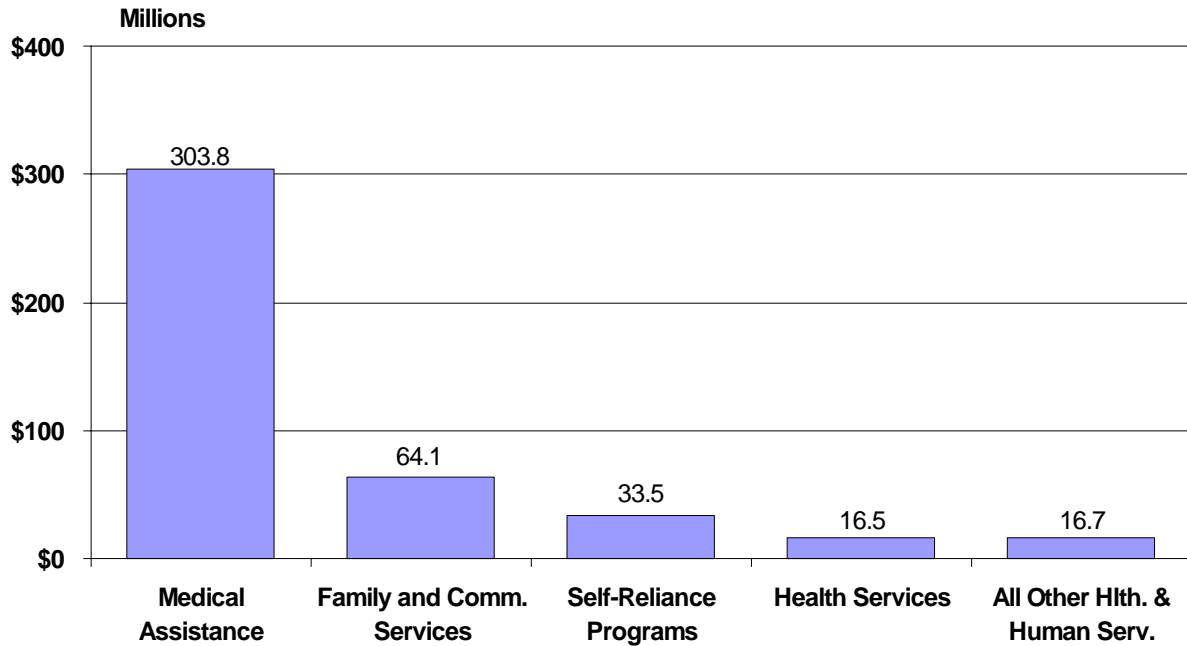
FY 2005 General Fund Recommendation for Education \$1,322.3 Million Total



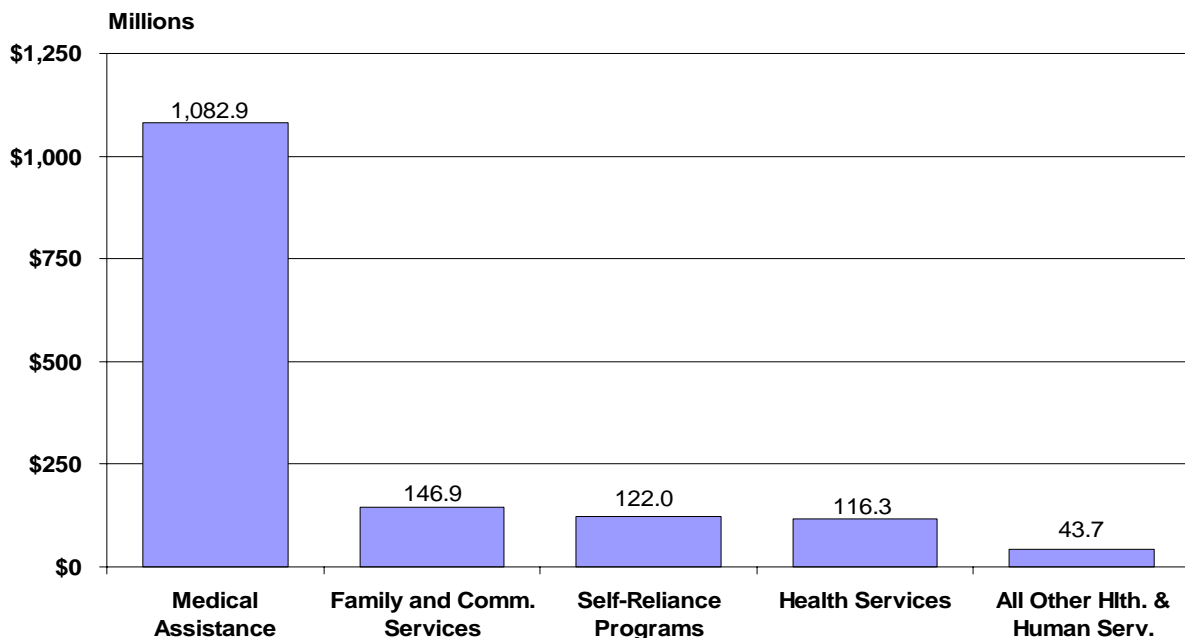
FY 2005 Total Fund Recommendation for Education \$2,067.4 Million Total



**FY 2005 General Fund Recommendation
for Health and Human Services
\$434.6 Million Total**

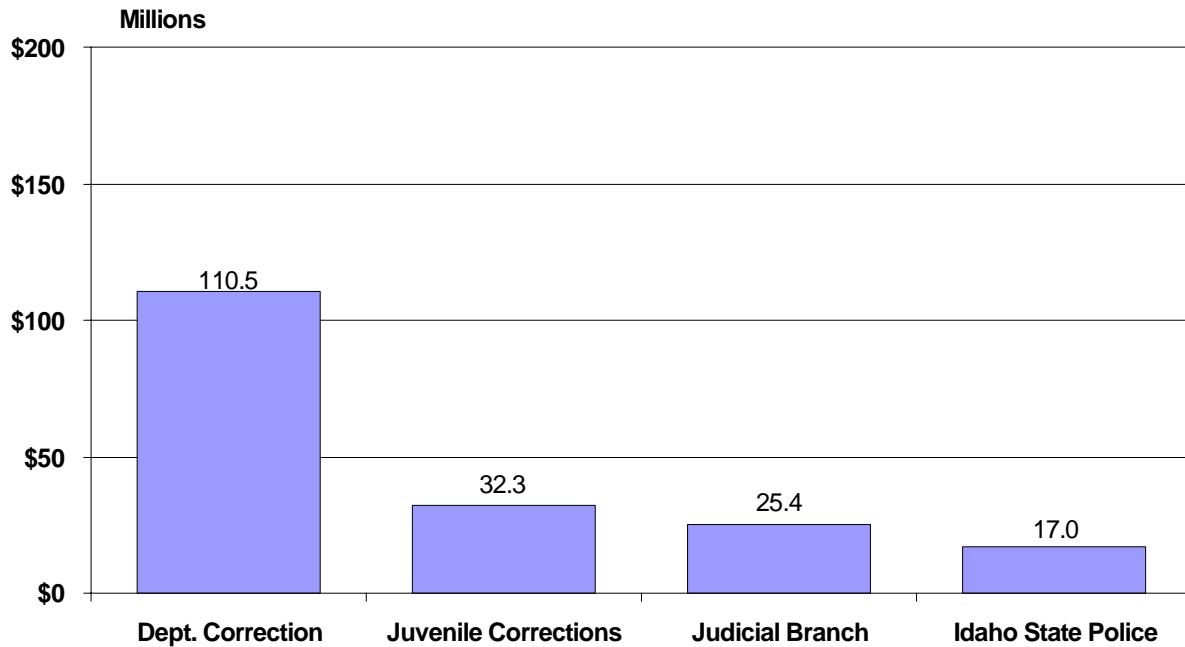


**FY 2005 Total Fund Recommendation
For Health and Human Services
\$1,511.7 Million Total**

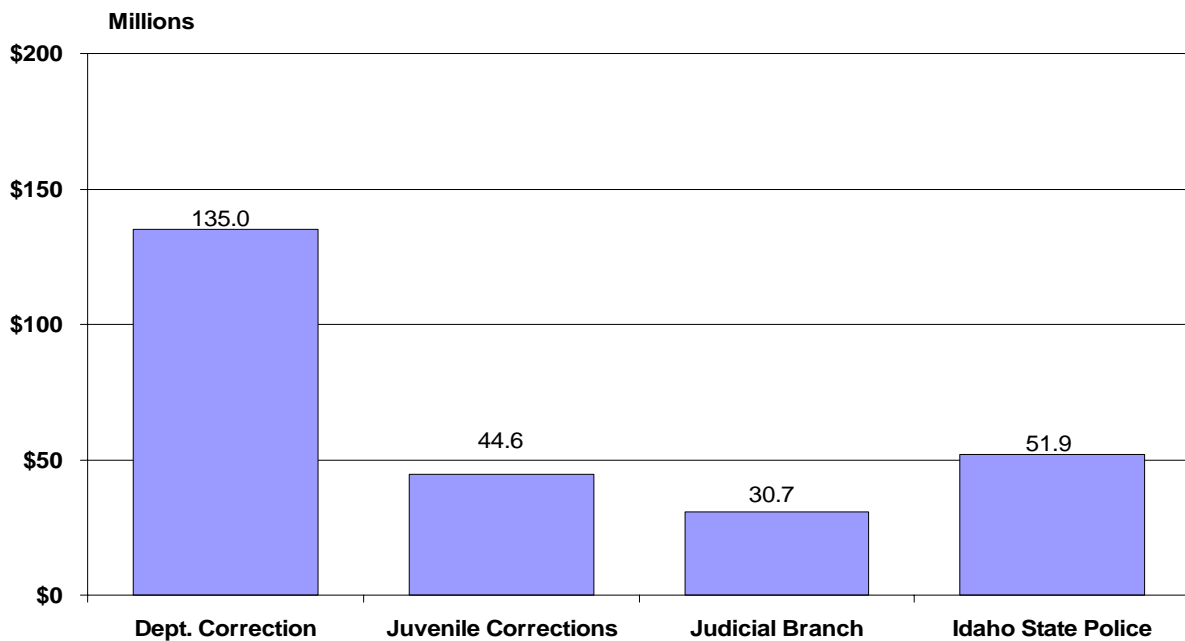


Summary Tables and Graphs

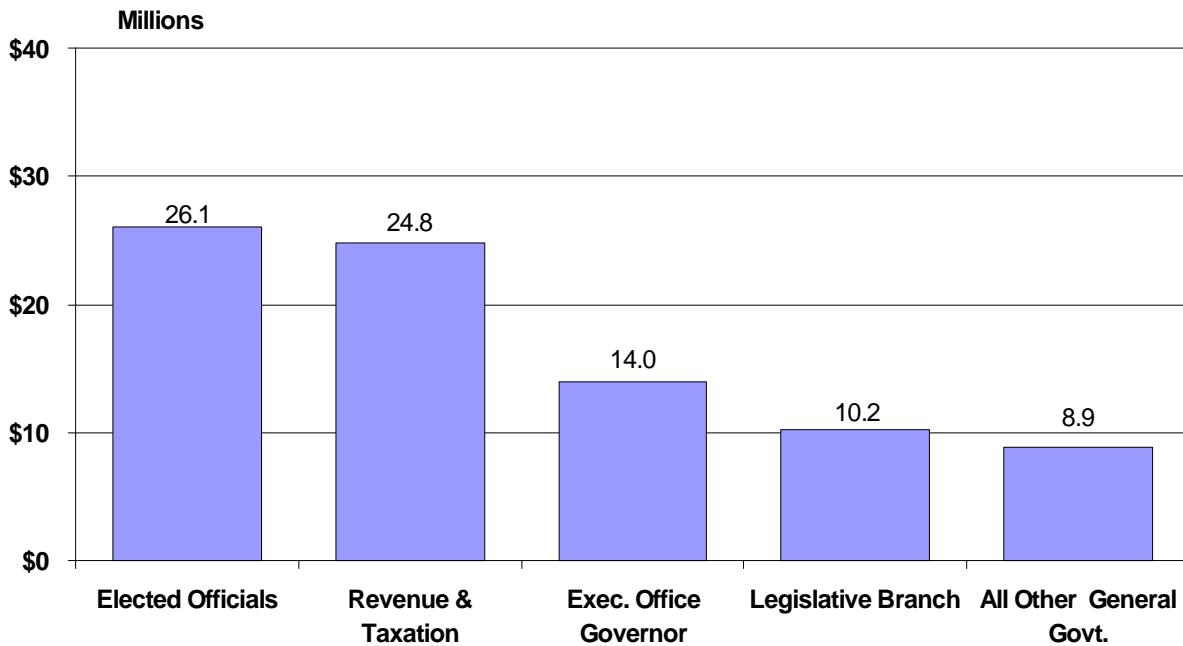
FY 2005 General Fund Recommendation for Public Safety \$185.1 Million Total



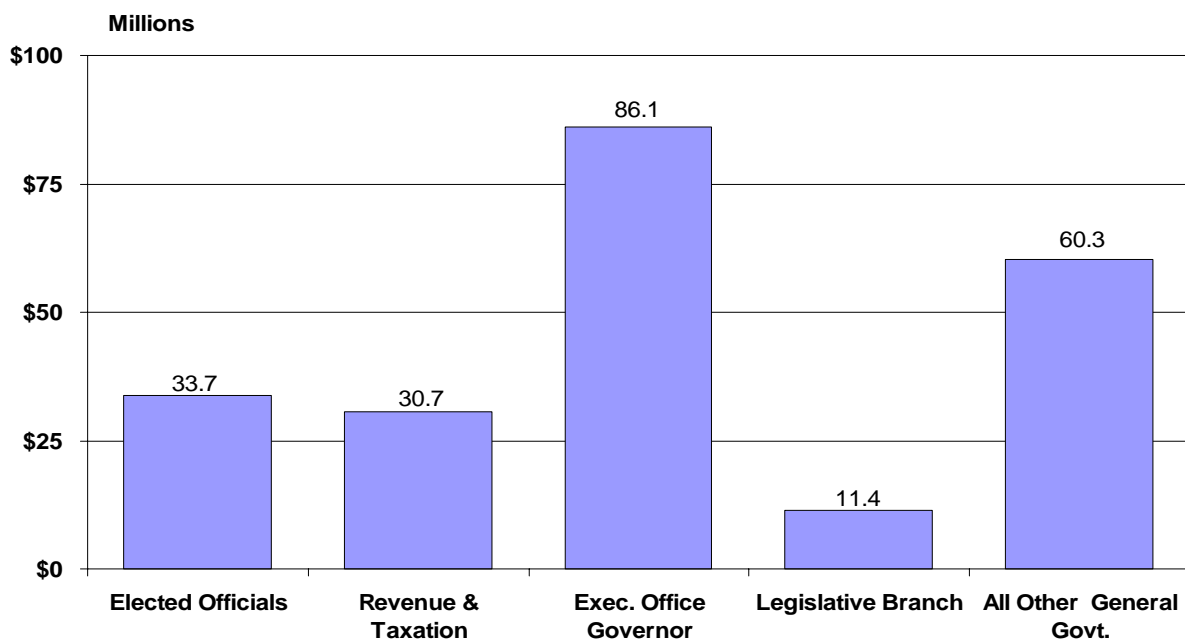
FY 2005 Total Fund Recommendation for Public Safety \$262.2 Million Total



FY 2005 General Fund Recommendation for General Govt. \$84.0 Million Total

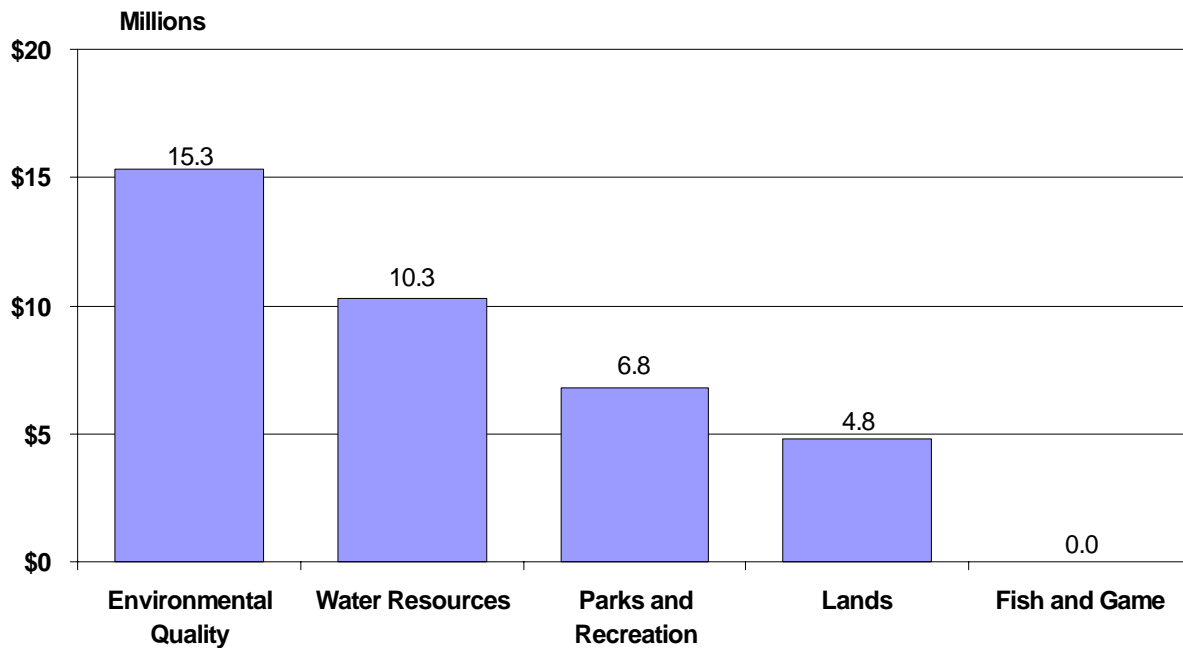


FY 2005 Total Fund Recommendation for General Govt. \$222.2 Million Total

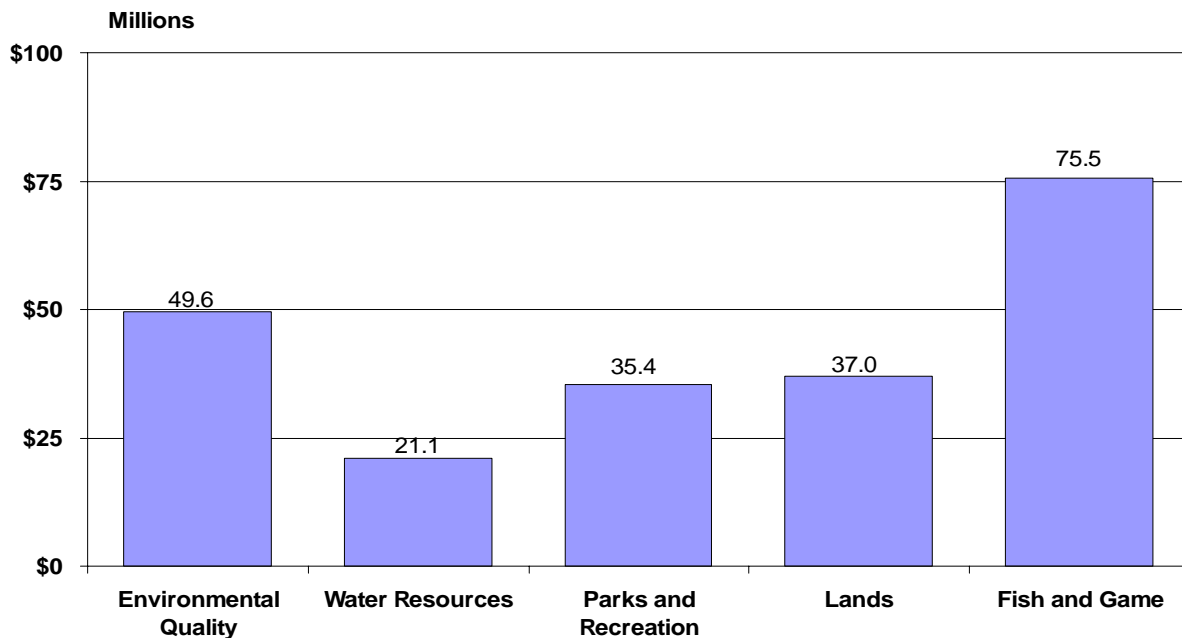


Summary Tables and Graphs

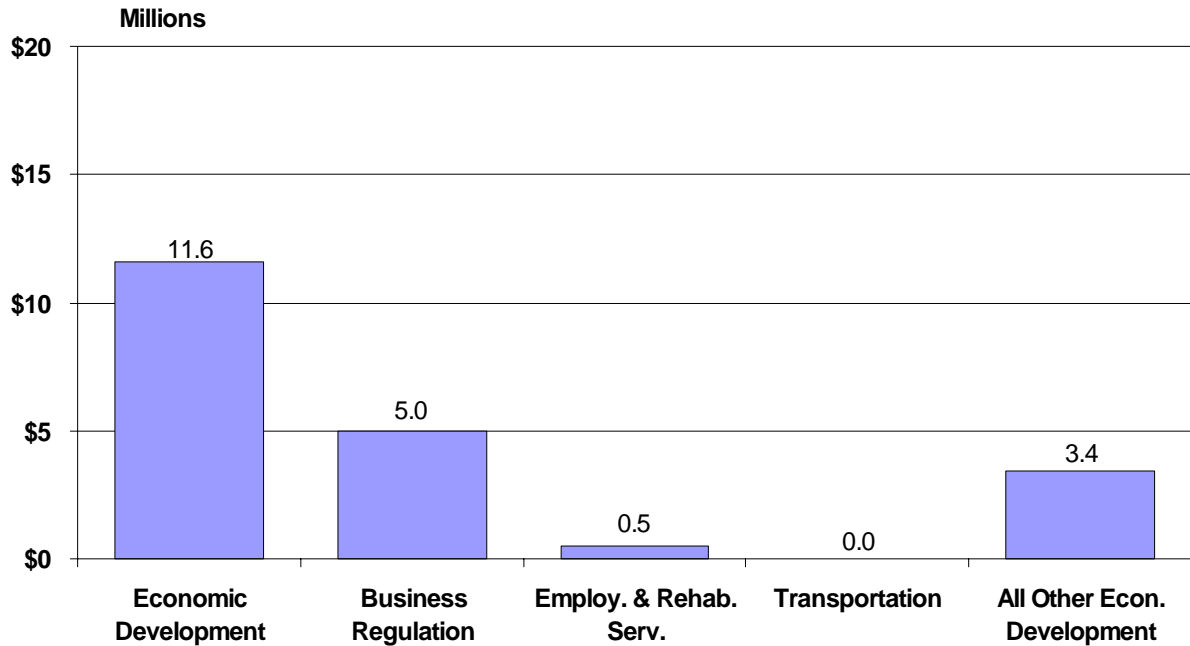
FY 2005 General Fund Recommendation for Natural Res. \$37.3 Million Total



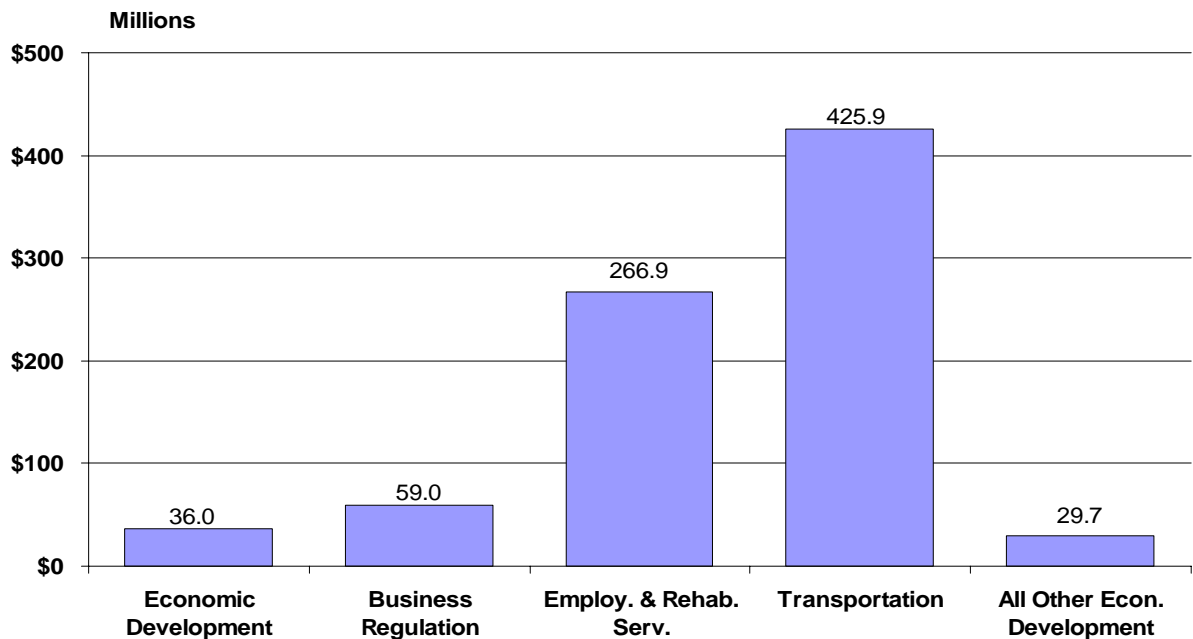
FY 2005 Total Fund Recommendation for Natural Res. \$218.6 Million Total



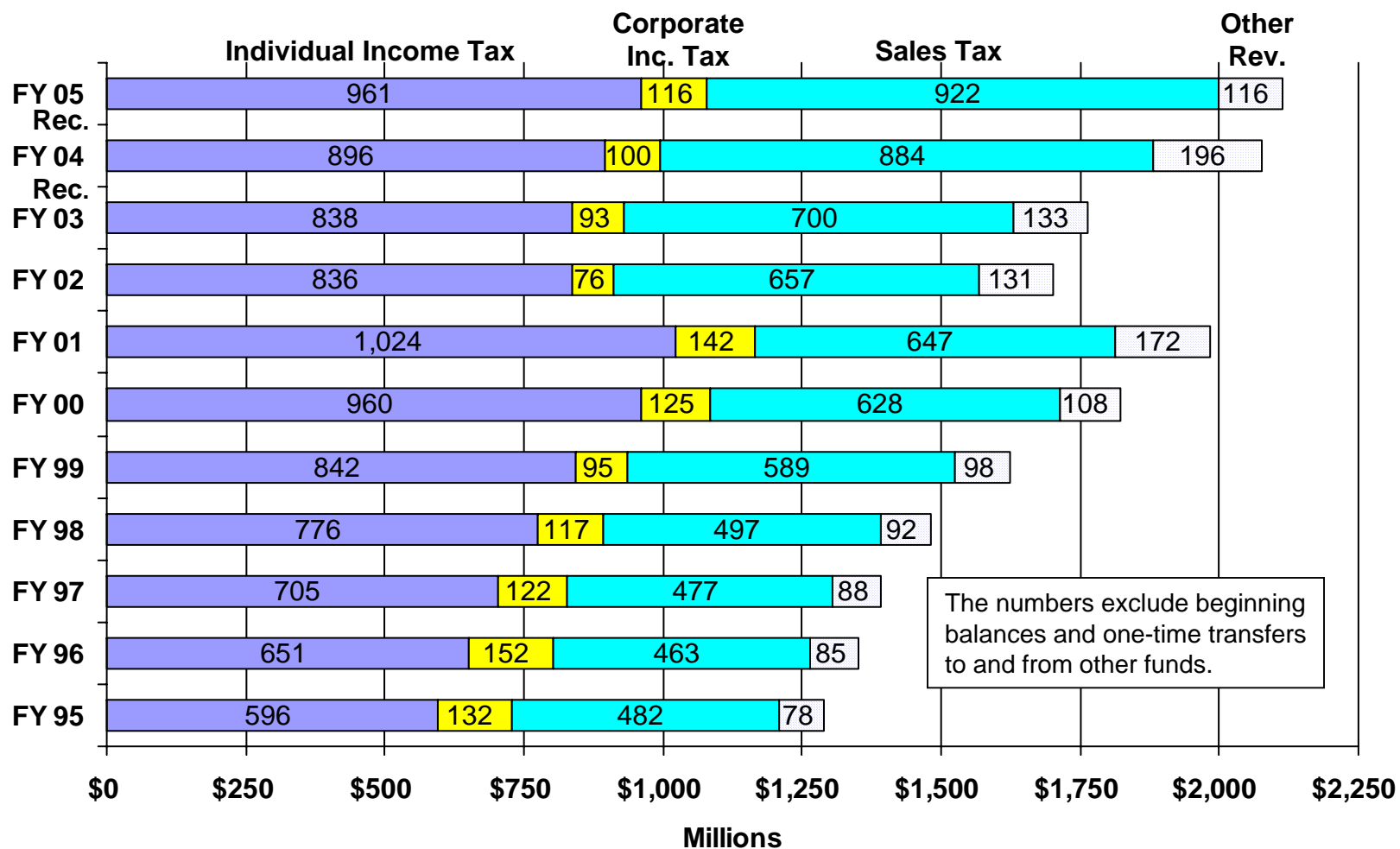
FY 2005 General Fund Recommendation for Economic Dev. \$20.5 Million Total



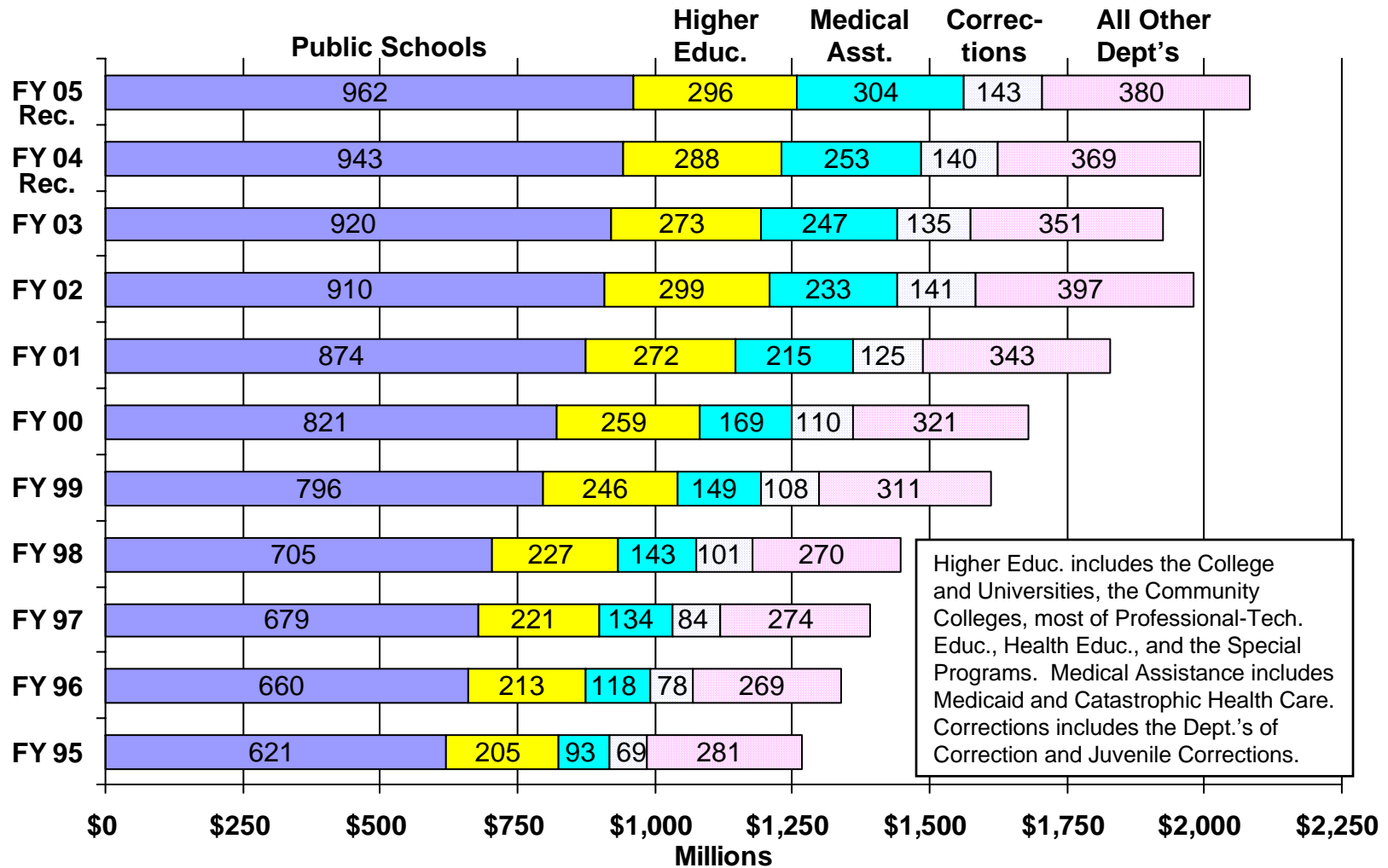
FY 2005 Total Fund Recommendation for Economic Dev. \$817.5 Million Total



Composition of General Fund Revenue by Fund Source, FY 1995 - FY 2005



Distribution of General Fund Expenditures to Selected State Budgets, FY 1995 - FY 2005



Summary Tables and Graphs

GENERAL FUND REVENUE HISTORY AND FORECAST (\$ Millions)

Source	Actuals				Forecast *	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Individual Income Tax	\$960.164	\$1,023.970	\$835.855	\$837.799	\$895.800	\$962.000
% Change	14.1%	6.6%	-18.4%	0.2%	6.9%	7.4%
Corporate Income Tax	\$124.873	\$141.527	\$76.296	\$93.130	\$100.100	\$118.000
% Change	30.8%	13.3%	-46.1%	22.1%	7.5%	17.9%
Sales Tax	\$627.503	\$647.294	\$657.119	\$700.241	\$884.142	\$921.811
% Change	6.6%	3.2%	1.5%	6.6%	26.3%	4.3%
Product Taxes:						
Cigarette Tax	\$7.295	\$7.981	\$8.001	\$8.260	\$31.350	\$7.750
Tobacco Tax	\$0.000	\$4.063	\$4.313	\$4.666	\$5.000	\$5.300
Beer Tax	\$1.754	\$1.817	\$1.877	\$1.913	\$2.000	\$2.100
Wine Tax	\$1.963	\$1.898	\$1.885	\$1.969	\$2.000	\$1.900
Liquor Surcharge	<u>\$4.945</u>	<u>\$4.945</u>	<u>\$4.945</u>	<u>\$4.945</u>	<u>\$4.945</u>	<u>\$4.945</u>
Subtotal	\$15.957	\$20.704	\$21.020	\$21.753	\$45.295	\$21.995
% Change	1.2%	29.7%	1.5%	3.5%	108.2%	-51.4%
Miscellaneous Revenue:						
Kilowatt-Hour Tax	2.765	1.796	1.795	1.797	1.800	1.800
Mine License Tax	(0.659)	0.119	0.816	0.036	0.050	0.050
Interest Earnings	21.560	22.304	11.335	2.982	3.734	1.800
Court Fees and Fines	5.306	5.494	5.188	5.288	5.071	5.118
Insurance Premium Tax	46.432	55.881	55.371	59.489	56.103	57.258
Alcoholic Beverage Licenses	1.300	1.224	1.364	1.394	1.500	1.515
UCC Filings	0.022	2.007	2.032	2.144	2.200	2.200
Unclaimed Property	2.308	5.810	0.881	3.760	1.750	1.500
Land Permit & Lease Payment	0.700	0.338	0.348	0.356	0.400	0.450
One-time Transfers	0.575	8.075	15.416	14.461	67.119	17.119
Estate Tax	0.000	35.807	7.589	13.649	4.050	2.150
Other Dept.'s and Transfers	<u>12.150</u>	<u>12.295</u>	<u>8.005</u>	<u>5.668</u>	<u>7.125</u>	<u>2.602</u>
Subtotal	92.459	151.150	110.139	111.024	150.903	93.563
% Change	12.0%	63.5%	-27.1%	0.8%	35.9%	-38.0%
Total General Fund Revenue	\$1,820.956	\$1,984.645	\$1,700.429	\$1,763.946	\$2,076.240	\$2,117.368
% Change	12.1%	9.0%	-14.3%	3.7%	17.7%	2.0%

* The Forecast reflects the Division of Financial Management's base revenue estimates for these two years. Neither number includes beginning balances, the impact of proposed legislation, or one-time transfers into or out of the General Fund currently not authorized by state law. They do include the impact of all legislation approved during the 2003 session. The FY 2004 one-time transfer amount also includes \$50,000,000 in flexible assistance funds provided through the Federal Tax Relief Reconciliation Act of 2003.

Summary Tables and Graphs

GENERAL FUND REVENUE FORECAST

Normalized Forecast (without 2003 Legislative Changes) and Base Forecast (with Changes)
(\$ Millions)

Source	FY 2003 Normalized	FY 2003 Base	FY 2004 Normalized	FY 2004 Base	FY 2005 Normalized	FY 2005 Base
Individual Income Tax	\$837.799	\$837.799	\$892.680	\$895.800	\$961.750	\$962.000
% Change	0.2%	0.2%	6.6%	6.9%	7.7%	7.4%
Corporate Income Tax	\$93.130	\$93.130	\$99.820	\$100.100	\$118.000	\$118.000
% Change	22.1%	22.1%	7.2%	7.5%	18.2%	17.9%
Sales Tax	\$687.241	\$700.241	\$711.582	\$884.142	\$744.171	\$921.811
% Change	4.6%	6.6%	3.5%	26.3%	4.6%	4.3%
Product Taxes:						
Cigarette Tax	\$8.260	\$8.260	\$9.200	\$31.350	\$9.000	\$7.750
Tobacco Tax	\$4.666	\$4.666	\$5.000	\$5.000	\$5.300	\$5.300
Beer Tax	\$1.913	\$1.913	\$2.000	\$2.000	\$2.100	\$2.100
Wine Tax	\$1.969	\$1.969	\$2.000	\$2.000	\$1.900	\$1.900
Liquor Surcharge	<u>\$4.945</u>	<u>\$4.945</u>	<u>\$4.945</u>	<u>\$4.945</u>	<u>\$4.945</u>	<u>\$4.945</u>
Subtotal	\$21.753	\$21.753	\$23.145	\$45.295	\$23.245	\$21.995
% Change	3.5%	3.5%	6.4%	108.2%	0.4%	-51.4%
Miscellaneous Revenue:						
Kilowatt-Hour Tax	1.797	1.797	1.800	1.800	1.800	1.800
Mine License Tax	0.036	0.036	0.050	0.050	0.050	0.050
Interest Earnings	2.982	2.982	3.734	3.734	1.800	1.800
Court Fees and Fines	5.288	5.288	5.201	5.071	5.248	5.118
Insurance Premium Tax	59.489	59.489	56.103	56.103	57.258	57.258
Alcoholic Beverage Licenses	1.394	1.394	1.500	1.500	1.515	1.515
UCC Filings	2.144	2.144	2.200	2.200	2.200	2.200
Unclaimed Property	3.760	3.760	1.750	1.750	1.500	1.500
Land Permit & Lease Payment	0.356	0.356	0.400	0.400	0.450	0.450
One-time Transfers	14.461	14.461	17.119	67.119	17.119	17.119
Estate Tax	13.649	13.649	4.050	4.050	2.150	2.150
Other Dept.'s and Transfers	<u>5.668</u>	<u>5.668</u>	<u>7.125</u>	<u>7.125</u>	<u>2.602</u>	<u>2.602</u>
Subtotal	111.024	111.024	101.033	150.903	93.693	93.563
% Change	0.8%	0.8%	-9.0%	35.9%	-7.3%	-38.0%
Total General Fund Revenue	\$1,750.946	\$1,763.946	\$1,828.260	\$2,076.240	\$1,940.858	\$2,117.368
% Change	3.0%	3.7%	4.4%	17.7%	6.2%	2.0%

2003 legislation impacting General Fund revenue and each bill's impact (in millions of dollars) by fiscal year is:

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
HB 74 - Sales and use tax liability responsibility		0.250	0.250
HB 76 - State custody of property for non-payment		0.200	0.200
HB 79 - Miscellaneous income tax adjustments		(0.050)	(0.050)
HB 130 - Electronic income tax payment credit		0.300	0.300
HB 264 - Cigarette tax increased 29 cents/pack		22.150	(1.250)
HB 400 - 6.0% sales tax (May 1, 2003 to June 30, 2005)	13.000	170.460	177.710
HB 452 - Exempt pre-existing contracts fm sales tax hike		(0.320)	(0.320)
SB 1028 - Civil court fee distribution change		(0.330)	(0.330)
SB 1201 - Impact of adding tax compliance staff		5.320	

The \$50,000,000 Idaho received through the Federal Tax Relief Reconciliation Act of 2003 is reflected in the FY 2004 Base Column under the One-time Transfers category.

Summary Tables and Graphs

FY 2005 GENERAL FUND REVENUE BY SOURCE

	Ind. Income	Corp. Income	Sales	Product	Misc.	Total
FY 2005 Base Revenue Estimate:	962,000,000	118,000,000	921,811,000	21,995,000	93,562,000	2,117,368,000
Ongoing Revenue Adjustments:						
Research and development tax credit		(1,250,000)				(1,250,000)
Broadband investment tax credit	(200,000)	(800,000)				(1,000,000)
Expanded jobs credit	(150,000)	(150,000)				(300,000)
Long term care insurance deduction	(500,000)					(500,000)
Total Ongoing Adjustments:	(850,000)	(2,200,000)	0	0	0	(3,050,000)
One-Time Revenue Adjustments:						
None proposed						0
Total One-Time Adjustments:	0	0	0	0	0	0
FY 2005 Total General Fund Revenue:	961,150,000	115,800,000	921,811,000	21,995,000	93,562,000	2,114,318,000
Non-Revenue Adjustments:						
Beginning balance						72,219,800
Agricultural equipment tax exemption (Note 1)						(13,448,100)
Budget Stabilization Fund transfer (Note 2)						(20,762,400)
Total Non-Revenue Adjustments:						38,009,300
FY 2005 Total General Funds Available:						2,152,327,300
Notes:						
1. Idaho Code 63-3067 provides a state tax exemption for property taxes paid on agricultural equipment. It directs that payments come from the State Refund Fund without specifying a specific revenue source. This is why it is not included in the base General Fund revenue estimate. This item is reflected as an ongoing non-revenue adjustment.						
2. Total FY 2004 General Fund receipts are projected to grow 17.7% over FY 2003 receipts. Idaho Code 57-814 requires that when total General Fund receipts grow by more than 5.0% over the previous fiscal year, then an amount equal to 1.0% of that year's total General Fund receipts be transferred from the succeeding year's General Fund (FY 2005) to the Budget Stabilization Fund.						

Summary Tables and Graphs

Long Range General Fund Budget Projection Reflects the Governor's FY 2004 and FY 2005 Recommendations

Revenue:	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Beginning balance	15,745,000	72,219,800	68,514,000	0	0
Total General Fund Revenue Estimate *	2,076,240,000	2,114,318,000	2,050,283,000	2,144,820,000	2,262,930,000
Transfer to State Refund Fund for ag property exemption	(13,448,100)	(13,448,100)	(13,448,100)	(13,448,100)	(13,448,100)
Transfer to Budget Stabilization Fund (IC 57-814)	0	(20,762,400)	0	0	(13,103,200)
Transfers to deficiency warrant funds and other funds	(12,585,000)	0	0	0	0
Transfer from the Economic Recovery Reserve Fund	0	0	20,000,000	0	0
Restore Public School Permanent Endowment Fund **	0	0	0	0	0
Net General Fund Revenue Available	2,065,951,900	2,152,327,300	2,125,348,900	2,131,371,900	2,236,378,700
Expenditures: (Base expenditure growth rates)	1.8%	4.0%	1.0%	1.2%	4.9%
Base expenditures	2,004,053,000	2,083,813,300	2,105,348,900	2,131,371,900	2,236,378,700
Prior year reappropriations	2,061,300	0	0	0	0
Supplementals	2,617,800	0	0	0	0
Medicaid one-time rate reduction	(15,000,000)	0	0	0	0
Twenty-seventh payroll	0	0	20,000,000	0	0
Total General Fund Expenditures	1,993,732,100	2,083,813,300	2,125,348,900	2,131,371,900	2,236,378,700
Total General Fund expenditure growth rate	3.5%	4.5%	2.0%	0.3%	4.9%
Projected Balance	72,219,800	68,514,000	0	0	0
* General Fund revenue estimate components:	4.4%	6.2%	5.1%	5.3%	5.5%
Base revenue (growth rates reflected above number)	1,828,260,000	1,940,858,000	2,039,630,000	2,147,500,000	2,265,610,000
HB 400/452 - 6.0% sales tax (sunsets June 30, 2005)	170,140,000	177,390,000	13,400,000	0	0
HB 264 - cigarette tax incr. (sunsets June 30, 2005)	22,150,000	(1,250,000)	(67,000)	0	0
Other 2003 legislation that impacts Gen. Fund revenue	5,690,000	370,000	370,000	370,000	370,000
Governor's FY 2005 tax relief legislation	0	(3,050,000)	(3,050,000)	(3,050,000)	(3,050,000)
Federal flexible assistance funds (one-time)	50,000,000	0	0	0	0
Total General Fund revenue estimate	2,076,240,000	2,114,318,000	2,050,283,000	2,144,820,000	2,262,930,000
Total General Fund revenue growth rate	17.7%	1.8%	-3.0%	4.6%	5.5%

** Idaho Code 57-724 requires the state to replace any lost value in the Public School Permanent Endowment Fund within four years of each year's loss. The Fund lost \$46,013,300 in FY 2001, \$71,461,300 in FY 2002 and \$1,884,400 in FY 2003. The FY 2001 loss, if not replaced by gains in market value during FY 2004 and FY 2005, would need to be addressed in FY 2006.

Summary Tables and Graphs

FY 2003 GENERAL FUND SUMMARY

REVENUES:	Ongoing	One-time	Total
Beginning balance	\$0	\$1,343,300	\$1,343,300
FY 2003 normalized revenue (3.0% growth over FY 2002 revenue)	1,750,946,300	0	1,750,946,300
Raise the sales tax from 5.0% to 6.0% May 2003 - July 2005 (HB 400)	<u>13,000,000</u>	<u>0</u>	<u>13,000,000</u>
FY 2003 base revenue (3.7% growth over FY 2002 revenue)	1,763,946,300	0	1,763,946,300
Transfers from other funds (Note 1)	0	194,301,500	194,301,500
Transfers to other funds (Note 2)	0	(4,516,500)	(4,516,500)
Transfer to State Refund Fund for property tax exemption (IC 63-3067)	(13,448,100)	0	(13,448,100)
Miscellaneous transfers and other adjustments	0	(820,200)	(820,200)
Cancellation of prior year encumbrances	<u>0</u>	<u>395,900</u>	<u>395,900</u>
Total Funds Available	\$1,750,498,200	\$190,704,000	\$1,941,202,200
EXPENDITURES:			
FY 2003 original appropriation	\$1,951,565,500	\$16,329,900	\$1,967,895,400
Prior year reappropriations (FY 2002 to FY 2003)	0	1,343,300	1,343,300
Regular supplementals	(30,700)	(20,000)	(50,700)
Negative supplementals (Note 3)	(19,461,300)	0	(19,461,300)
Spending receipts from capital asset sales and insurance settlements	0	270,600	270,600
Reversions (allocation between ongoing and one-time is an estimate)	(21,978,800)	(500,000)	(22,478,800)
Next year reappropriations (FY 2003 to FY 2004)	<u>(2,061,300)</u>	<u>0</u>	<u>(2,061,300)</u>
Total Expenditures	\$1,908,033,400	\$17,423,800	\$1,925,457,200
Ending Balance	(\$157,535,200)	\$173,280,200	\$15,745,000

Notes:

- Consists of the following:

	Amount	Session	Bill Number
Budget Stabilization Fund	26,700,000	2002	SB 1517
Budget Stabilization Fund	26,390,000	2003	SB 1195
Millennium Fund	10,000,000	2002	SB 1517
Millennium Fund	60,311,500	2003	SB 1195
Permanent Building Fund	7,000,000	2002	SB 1517
Permanent Building Fund	48,000,000	2003	SB 1195
Capitol Endowment Income Fund	6,400,000	2002	SB 1517
Capitol Endowment Income Fund	1,500,000	2003	HB 468
Retained Risk Fund	5,000,000	2003	SB 1195
Water Pollution Control Fund	3,000,000	2002	HB 693
- Consists of the following:

	Amount	Session	Bill Number
Dept. of Lands Fire Suppression Fund	3,835,000	2003	HB 90
Dept. of Lands Pest Eradication Fund	485,000	2003	SB 1022
Idaho State Police Law Enforcement Death Benefit Fund	100,000	2003	HB 384
Military Division's Hazardous Substance Response Fund	96,500	2003	SB 1184
- SB 1194 reduced most state department's General Fund appropriation by 3.5%. Although the Supreme Court reduced the Guardian Ad Litem's dedicated fund appropriation by 3.5% (\$15,600), it failed to transfer the funds back to the General Fund until July, so it is not reflected as a reduction in FY 2003 General Fund spending.

Summary Tables and Graphs

FY 2004 GENERAL FUND SUMMARY Governor's Recommendation

REVENUES:	Ongoing	One-time	Total
Beginning balance	\$0	\$15,745,000	\$15,745,000
FY 2004 normalized est. (4.4% growth over FY 2003 normalized rev.)	1,828,260,000	0	1,828,260,000
Raise the sales tax from 5.0% to 6.0% May 2003 - July 2005 (HB 400)	170,460,000	0	170,460,000
Exempt pre-existing contracts from the sales tax increase (HB 452)	0	(320,000)	(320,000)
Raise the cigarette tax to 57 cents/pack through June 2005 (Note 1)	0	22,150,000	22,150,000
All other legislation that impacts General Fund revenue (Note 2)	370,000	5,320,000	5,690,000
Federal Tax Relief Reconciliation Act flexible assistance funds	0	50,000,000	50,000,000
FY 2004 base revenue (17.7% growth over FY 2003 base revenue)	1,999,090,000	77,150,000	2,076,240,000
Transfer to State Refund Fund for property tax exemption (IC 63-3067)	(13,448,100)	0	(13,448,100)
Transfer to Secretary of State's Democracy Fund (HB 460)	0	(167,000)	(167,000)
Transfer to the Disaster Emergency Fund (Executive Order 2003-15)	0	(125,000)	(125,000)
Transfer to the Bond Levy Equalization Fund (Whitepine School Dist.)	0	(377,500)	(377,500)
Transfers to Deficiency Warrant Funds (total \$11,915,500):			
Military Division - Hazardous Substance Emergency Response Fund	0	(92,000)	(92,000)
Dept. Agriculture - Pest Control Fund	0	(223,500)	(223,500)
Dept. Lands - Fire Suppression Fund	0	(11,600,000)	(11,600,000)
Total Funds Available	\$1,985,641,900	\$80,310,000	\$2,065,951,900
EXPENDITURES:			
FY 2004 original appropriations	\$1,987,786,700	\$16,266,300	\$2,004,053,000
Prior year reappropriations	0	2,061,300	2,061,300
Supplementals (total \$2,617,800):			
Dept. Correction - remove the dept.'s contingency appropriation	0	(1,000,000)	(1,000,000)
Dept. Correction - additional security staff while locks are being fixed	0	46,600	46,600
Dept. Juvenile Corr.'s - remove most of the dept.'s reappropriation	0	(1,000,000)	(1,000,000)
Catastrophic Health Care - anticipated health care costs	0	4,000,000	4,000,000
Dept. Health & Welfare - CHIP access card costs	160,400	255,100	415,500
Dept. Agriculture - specialty crop federal grant interest payment	0	147,200	147,200
Board of Examiners - county legal costs related to state inmates	4,200	4,300	8,500
Medicaid rate reduction savings (Note 3)	(15,000,000)	0	(15,000,000)
Total Expenditures	\$1,972,951,300	\$20,780,800	\$1,993,732,100
Projected Ending Balance	\$12,690,600	\$59,529,200	\$72,219,800

Notes:

- HB 264 is expected to generate \$23.45 million in FY 2004 and \$21.90 million in FY 2005. It is treated as one-time revenue because only the first \$23.5 million generated in FY 2004 goes into the General Fund. The balance goes into the Economic Recovery Reserve Fund created by HB 264. The bill is also expected to reduce FY 2004 General Fund revenue generated through the current 28 cent/pack tax by \$1.30 million. The net impact on the General Fund in FY 2004 is \$22.15 million.
- Includes the following bills from the 2003 session: HB 74, HB 76, HB 79, HB 130, SB 1028, and SB 1201 (one-time).
- The Federal Tax Relief Reconciliation Act increased the federal medical assistance percentage (FMAP) in the Medicaid Program from April 2003 through June 2004. The corresponding reduction in the state's match rate is expected to result in \$30,400,000 in one-time savings to Idaho's General Fund. At the same time, caseload growth is expected to cost the General Fund an additional \$15,400,000 in FY 2004. The net impact is a \$15,000,000 General Fund savings in FY 2004.

Summary Tables and Graphs

DEPARTMENT FY 2004 GENERAL FUND APPROPRIATIONS AND EXPENDITURES

Department	Original Appropriation	Reappropriations	Positive Supplementals	Negative Supp. and Reversions	Estimated Expenditures
General Government:					
Administration, Dept.	\$8,814,700	\$0	\$0	\$0	\$8,814,700
Attorney General	13,891,400	402,700	0	0	14,294,100
Controller, State	5,046,900	0	0	0	5,046,900
Governor, Office	1,412,700	0	0	0	1,412,700
Governor, Executive Office	14,462,500	0	0	0	14,462,500
Legislative Branch	9,186,000	0	0	0	9,186,000
Lieutenant Governor	114,500	0	0	0	114,500
Revenue and Taxation, Dept.	24,470,700	0	0	0	24,470,700
Secretary of State	1,983,700	0	0	0	1,983,700
Treasurer, State	<u>1,186,900</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,186,900</u>
Total General Government	80,570,000	402,700	0	0	80,972,700
Public Safety:					
Correction, Dept.	109,000,000	0	46,600	(1,000,000)	108,046,600
Judicial Branch	24,474,000	0	0	0	24,474,000
Juvenile Corrections, Dept.	31,648,200	1,205,400	0	(1,000,000)	31,853,600
Police, Idaho State	<u>16,978,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,978,400</u>
Total Public Safety	182,100,600	1,205,400	46,600	(2,000,000)	181,352,600
Health & Human Services:					
Catastrophic Health Care	8,126,700	0	4,000,000	0	12,126,700
Health and Welfare, Dept.	375,810,800	0	415,500	(15,000,000)	361,226,300
Public Health Districts	<u>9,166,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,166,300</u>
Total Health & Hum. Serv.	393,103,800	0	4,415,500	(15,000,000)	382,519,300
Education:					
Agr. Research and Extension	23,816,600	100	0	0	23,816,700
College and Universities	218,000,000	5,300	0	0	218,005,300
Community Colleges	19,223,900	0	0	0	19,223,900
Deaf and Blind School	7,183,600	0	0	0	7,183,600
Educ., Office of State Board	5,067,500	6,900	0	0	5,074,400
Health Education Programs	7,525,700	15,700	0	0	7,541,400
Historical Society	1,923,700	0	0	0	1,923,700
Library, State	2,418,600	0	0	0	2,418,600
Professional-Technical Educ.	44,219,700	13,500	0	0	44,233,200
Public Broadcasting	1,528,200	0	0	0	1,528,200
Public Schools	943,000,800	0	0	0	943,000,800
Special Programs	9,628,300	0	0	0	9,628,300
Super. of Public Instruction	5,130,900	0	0	0	5,130,900
Vocational Rehabilitation	<u>3,673,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,673,000</u>
Total Education	1,292,340,500	41,500	0	0	1,292,382,000
Economic Development:					
Agriculture, Dept.	9,357,400	0	147,200	0	9,504,600
Commerce, Dept.	6,242,500	0	0	0	6,242,500
Labor, Dept.	435,800	0	0	0	435,800
Self-Governing Agencies	<u>3,421,700</u>	<u>0</u>	<u>8,500</u>	<u>0</u>	<u>3,430,200</u>
Total Econ. Development	19,457,400	0	155,700	0	19,613,100
Natural Resources:					
Environmental Quality, Dept.	15,146,000	0	0	0	15,146,000
Lands, Dept.	4,773,000	0	0	0	4,773,000
Parks and Recreation, Dept.	6,642,500	411,700	0	0	7,054,200
Water Resources, Dept.	<u>9,919,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,919,200</u>
Total Natural Resources	36,480,700	411,700	0	0	36,892,400
State Totals	2,004,053,000	2,061,300	4,617,800	(17,000,000)	1,993,732,100

Summary Tables and Graphs

FY 2004 SUPPLEMENTAL RECOMMENDATIONS

Department	Item	FTP	Gen. Fund	Other Fund	Total
Military Division	Office of Domestic Preparedness grants	3.00	\$0	\$81,700	\$81,700
Correction, Dept.	Operations locking system displacement (NR)	0.00	0	0	0
	Remove the dept.'s contingency appropriation	0.00	(1,000,000)	0	(1,000,000)
	SICI annex operations for 100 additional beds (NR)	0.00	0	0	0
	IMSI lock replacement staffing (one-time)	0.00	46,600	0	46,600
	ICC more spending authority for inmate revenue	0.00	0	80,000	80,000
Idaho State Police	State interoperability staff	2.00	0	54,700	54,700
Juvenile Corr., Dept.	Remove most of its prior year reappropriation	0.00	(1,000,000)	0	(1,000,000)
Catastrophic Hlth. Care	Anticipated higher health care costs (one-time)	0.00	4,000,000	0	4,000,000
Health & Welfare, Dept.	Physical Health Prog. - food inspection receipts	0.00	0	100,000	100,000
	Self-Reliance Prog. - CHIP access card costs	20.00	126,700	154,900	281,600
	Medicaid Prog. - CHIP access card costs	7.00	288,800	2,399,700	2,688,500
Super. Public Instruc.	Transfer \$110,000 from OE to PC to hire 2 FTP	2.00	0	0	0
	Additional high performance schools funding	0.00	0	200,000	200,000
	Additional federal operating expenditures	0.00	0	1,000,000	1,000,000
Agriculture, Dept.	Specialty crop federal grant interest (one-time)	0.00	147,200	0	147,200
Insurance, Dept.	Federal Medicare educ. partnership program	1.00	0	16,100	16,100
Veterinary Med., Board	Increased Personnel Cost obligations (NR)	0.00	0	0	0
St. Board of Examiners	County legal costs related to state inmates	0.00	8,500	0	8,500
Lands, Dept.	Non General Fund fire suppression costs	0.00	0	900,000	900,000
Water Resources, Dept.	Residential housing energy efficiency funds	0.00	0	41,000	41,000
State Totals		35.00	\$2,617,800	\$5,028,100	\$7,645,900

NR - Not recommended

FY 2004 REVENUE TRANSFER RECOMMENDATIONS

Department	Item	FTP	Gen. Fund	Other Fund	Total
Military Division	Hazardous Substances Response Fund (one-time)	0.00	(\$92,000)	\$92,000	\$0
Agriculture, Dept.	Pest Eradication Fund (one-time)	0.00	(223,500)	223,500	0
Lands, Dept.	Fire Suppression Fund (one-time)	0.00	(11,600,000)	11,600,000	0
State Totals		0.00	(\$11,915,500)	\$11,915,500	\$0

Summary Tables and Graphs

FY 2005 GENERAL FUND SUMMARY Governor's Recommendation

REVENUES:	Ongoing	One-time	Total
Beginning balance	\$0	\$72,219,800	\$72,219,800
FY 2005 normalized est. (6.2% growth over FY 2004 normalized rev.)	1,940,858,000	0	1,940,858,000
Raise the sales tax from 5.0% to 6.0% May 2003 - July 2005 (HB 400)	177,710,000	0	177,710,000
Exempt pre-existing contracts from the sales tax increase (HB 452)	0	(320,000)	(320,000)
Impact of the 29 cent/pack increase in the cigarette tax (Note 1)	0	(1,250,000)	(1,250,000)
All other legislation that impacts General Fund revenue (Note 2)	370,000	0	370,000
FY 2005 base revenue (2.0% growth over FY 2004 base revenue)	2,118,938,000	(1,570,000)	2,117,368,000
Continue the research and development tax credit provided in FY 2002	(1,250,000)	0	(1,250,000)
Continue the broadband investment tax credit provided in FY 2002	(1,000,000)	0	(1,000,000)
Continue the expanded jobs credit provided in FY 2002	(300,000)	0	(300,000)
Provide long term care insurance premium tax deduction	(500,000)	0	(500,000)
Transfer to State Refund Fund for property tax exemption (IC 63-3067)	(13,448,100)	0	(13,448,100)
Transfer to the Budget Stabilization Fund (IC 57-814)	0	(20,762,400)	(20,762,400)
Total Funds Available	\$2,102,439,900	\$49,887,400	\$2,152,327,300
EXPENDITURES:			
FY 2004 original appropriations	\$1,987,786,700	\$16,266,300	\$2,004,053,000
FY 2004 Adjustments:			
Prior year reappropriations	0	2,061,300	2,061,300
Recommended supplementals	164,600	2,453,200	2,617,800
Medicaid FY 2004 rate reduction savings	(15,000,000)	0	(15,000,000)
FY 2005 Adjustments:			
Restore Medicaid match rates to pre FY 2004 levels	15,000,000	0	15,000,000
Remove one-time expenditures	0	(20,780,800)	(20,780,800)
Restore Legislature's budget to \$5,600,000 pursuant to IC 67-451(2)	806,200	0	806,200
Increase the Dept. of Labor's Wage and Hour General Fund budget	50,000	0	50,000
FY 2005 Base	\$1,988,807,500	\$0	\$1,988,807,500
State Dept. personnel benefit roll-up costs	10,943,000	0	10,943,000
State Dept. medical inflation only (3.5%)	10,464,300	0	10,464,300
State Dept. replacement Capital Outlay	0	733,700	733,700
State Dept. non-standard adjustments	27,155,000	21,300	27,176,300
State Dept. annualizations	549,500	0	549,500
State Dept. employee compensation (2.0%)	10,002,100	0	10,002,100
State Dept. fund shifts	729,000	0	729,000
State Dept. enhancements	1,734,000	687,300	2,421,300
Public Schools personnel benefit roll-up costs	4,457,300	0	4,457,300
Public Schools inflation for transportation only (1.9%)	1,161,100	0	1,161,100
Public Schools support unit growth	12,971,400	0	12,971,400
Public Schools early retirement and least restrictive environment	(1,500,000)	0	(1,500,000)
Public Schools teacher incentive awards	42,400	0	42,400
Public Schools property tax replacement	1,977,300	0	1,977,300
Public Schools exceptional contracts and limited English proficiency	875,000	0	875,000
Public Schools bond levy equalization	2,000,000	0	2,000,000
Public Schools employee compensation/discretionary funding	10,002,100	0	10,002,100
Total Expenditures	\$2,082,371,000	\$1,442,300	\$2,083,813,300
Projected Ending Balance	\$20,068,900	\$48,445,100	\$68,514,000

Notes:

- HB 264 increased the cigarette tax from 28 to 57 cents/pack for FY 2004 and FY 2005. The \$23.45 million generated in FY 2004 goes into the General Fund. The \$22.15 million generated in FY 2005 goes into the Economic Recovery Reserve Fund. The reduction shown here reflects the impact this increase will have on the permanent 28 cent/pack tax.
- Includes the following bills from the 2003 session: HB 74, HB 76, HB 79, HB 130 and SB 1028.